

**BARNES & THORNBURG LLP**

600 One Summit Square  
Fort Wayne, Indiana 46802  
(260) 423-9440

**PATENT APPLICATION  
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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First Named		}	<u>/BBG/</u>
Inventor:	Schwartz, Denis G.	}	Bobby B. Gillenwater
		}	
Group Art		}	
Unit:	3624	}	
		}	
Examiner		}	
Name:	Jocelyn Greimel	}	
		}	
Title:	METHOD AND APPARATUS FOR	}	
	PROVIDING RETIREMENT	}	
	INCOME BENEFITS	}	

**RESPONSE TO REQUEST FOR INFORMATION**

Commissioner of Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

Sir:

This is a response to the Request for Information under 37 C.F.R. Section 1.105 mailed on July 19, 2007. In that Request, the Examiner asked that Applicants and the Assignee submit information regarding submissions C.2, C.3, C.5, C.6 and C.7 of the Supplemental Information Disclosure Statement filed on June 13, 2007. The requested information includes:

1) how the submissions were obtained for presentation in the supplemental IDS; 2) where and by

whom the submissions were created; 3) the background of the submissions; and 4) any other relevant information related to the submissions. To the extent available or readily obtainable by Applicants or Assignee, such information is set forth below.

As for the first item – how the submissions were obtained – all five documents were obtained by attorneys for the Assignee on or about October 14, 2005 in the course of discovery in litigation involving Assignee’s U.S. Patent No. 6,611,815 (the “’815 patent”). This litigation is pending in the United States District Court for the Northern District of Indiana and is captioned Lincoln National Life Insurance Company v. Transamerica Financial Life Insurance Company, et al., Cause No.: 1:04-CV-396-TLS-RBC. The subject documents were produced by attorneys for Transamerica Financial Life Insurance Company (hereinafter “Transamerica”) in response to a discovery request filed on behalf of Lincoln National Life Insurance Company (hereinafter “Lincoln”) by its attorneys.

**Document C.2: Sutherland, Asbill, & Brennan, LLP, Page 4 of an article discussing Minnesota Mutual Life Insurance Company’s Guaranteed Minimum Annuity Payment Amount. (undated)**

Neither Applicants nor Assignee know where, when or by whom this document was created. Sutherland, Asbill & Brennan LLP is a law firm having offices in Atlanta, Washington, Austin, Houston, New York and Tallahassee. It is assumed, but not known for certain, that this document was prepared by someone associated with that firm.

This document appears to be a single page from a larger document which, to the best of their knowledge, is neither in the possession of nor readily obtainable by Applicants or Assignee. Neither Applicants nor Assignee know why this document was created, how (or if) it was used, whether it has been published, or any other relevant background information.

At present, Applicants and Assignee do not believe that this document constitutes “prior art” for purposes of the present application. This document was submitted to the Examiner for consideration for the reasons set forth in the Supplemental Information Disclosure Statement.

**Document C.3: Memorandum from Ron Ziegler RE: Minnesota Mutual's Adjustable Income Annuity/Product Idea, January 14, 1997.**

This document was created by Ron Ziegler, Vice President of Transamerica. Transamerica is headquartered in Cedar Rapids, Iowa, and Mr. Ziegler's office is there. The document is dated, and was presumably created on or before, January 14, 1997. The individuals listed as recipients of the document are all believed to be employees of Transamerica or related companies. In a deposition taken on June 13, 2007, Mr. Ziegler confirmed that he wrote the memo to "internal people" at Transamerica. Assignee presumes that this document had not been published as of October 14, 2005, the date on which it was produced in the Transamerica litigation.

**Document C.5: Kerry Geurkink, "Creativity in the Annuity Payout Phase" (PowerPoint Presentation), June 11, 1998.**

This document appears to be "photocopies of slides" used by a speaker (presumably Kerry L. Geurkink) at an annuity symposium held on June 11, 1998. Applicants do not know where this document was prepared, nor whether it was prepared by Kerry Geurkink, or other individual(s). The last 4 pages of the document appear to be a quarterly performance report for the first three months of 1998 relating to a Minnesota Mutual "Adjustable Income Annuity Contract" which may be the same Minnesota Mutual product referred to in Documents C.2 and C.3 and which is the subject of an additional document accompanying this response.

**Document C.6: Deanne Osgood, "Industry Research: VA Guaranteed Living Benefits" (PowerPoint Presentation) June 11-12, 1998.**

This document appears to be "photocopies of slides" used by a speaker (presumably Deanne L. Osgood) at an annuity symposium held on June 11-12, 1998. Applicants do not know where this document was prepared, nor whether it was prepared by Deanne Osgood, or other individual(s). The first page of the document includes a short biography of Ms. Osgood. The document reviews various types of "guaranteed living benefits" ("GLB's") associated with variable annuities, although not in the context of any specific product. The last slide concludes

that many companies will introduce GLB's in the future, and that creativity in GLB design will continue, with unique designs being offered to consumers.

**Document C.7: Tillinghast-Towers Perrin, "The Variable Immediate Annuity Marketplace;" handout dated August 25, 1998.**

This document appears to be "photocopies of slides" used by a speaker or speakers at a "breakfast briefing" in Des Moines, Iowa, on August 25, 1998. Neither Applicants nor Assignee know where this document was prepared, nor whether it was prepared by the individuals listed on the first page, or by others. It is also not known for whom the document was prepared or to whom the presentation was made, nor whether the presentation or document was publicly or privately presented or distributed. The substance of the document appears to be a high level review of variable annuity products in the marketplace.

**Additional Document: Minnesota Mutual Prospectus**

More than one of the documents discussed above refer to an annuity product offered by Minnesota Mutual Life Insurance Company. By way of additional information, accompanying this Response is a copy of a prospectus entitled "Variable Annuity Account" dated June 13, 1996. Applicants and Assignee believe this prospectus relates to the product mentioned in the documents. This copy of the prospectus was obtained by attorneys for Assignee from attorneys for Transamerica subsequent to filing of the Supplemental Information Disclosure Statement in this application.

The product described in the prospectus is an immediate variable annuity contract. Under the terms of this contract, a single premium in the amount of at least \$10,000.00 is paid to the insurance company in exchange for a stream of scheduled annuity payments which may begin immediately, and which must begin within 12 months after payment of the initial premium. The scheduled payments may be made monthly, quarterly, semi-annually or annually. As with other "traditional" annuities, the purchaser exchanges the initial premium for the scheduled annuity payments at issue. The purchaser's interest in the annuity is converted to a number of annuity units. Since the product is a variable annuity contract, the value of each annuity unit can fluctuate.

The company places the premiums in a “Separate Account,” with premiums from individual purchasers placed in “Sub-Accounts.” The company invests the assets of the Separate Account in a single fund. The assets of the Separate Account (and each Sub-Account) are owned by the company.

In addition to the stream of scheduled payments, the product described in the prospectus offers the purchaser a partial withdrawal feature under which additional withdrawals (i.e., over and above the scheduled annuity payments) can be made. The amount available for such withdrawals is termed the “cash value” of the contract, and the time during which such withdrawals are available is termed the “cash value period.” The cash value period begins on the annuity commencement date and ends on an end date which is specified at the beginning of the contract period. The amount of the cash value of the contract is determined by a formula in the contract. The amount of the cash value is an amount that is the present value of the future income payments from the immediate annuity. This amount is not guaranteed.

Another feature of this product is that the amounts of the regularly scheduled annuity payments, although variable, are guaranteed to always be at least 85% of the initial scheduled payment amount.

### **Recent Articles – Evidence of Secondary Considerations**

The claims of the present application are directed to a method of administering an annuity product which establishes an annuity account from which the owner benefits and over which the owner maintains investment control. Liquidity is provided by means of allowing for withdrawals to be made from the account. When withdrawals are made in amounts less than or equal to a specified withdrawal rate, a guarantee is provided that, even if the entire account value is exhausted before the end of a specified time period, amounts up to the specified withdrawal rate will continue to be paid. Greater withdrawals, up to and including the entire account value, may be made. In this event, no such guarantee is provided. Since the filing of the present application, products of this type have come to be known as “guaranteed minimum withdrawal benefit” (“GMWB”) products.

Accompanying this response are two recent articles which discuss GMWB products. The first is found in "Outlook," a publication of the National Association for Variable Annuities. This document is dated November/December, 2005. The lead article entitled "Is Annuitization Dead?" discusses the recent emergence of GMWB products in the annuity industry. On the first page, second column, these products are described as "innovations" and as "an extremely attractive and responsive retirement income solution." The second article is entitled "Going for GMWB." This article states that GMWB features were the dominant sales driver for variable annuities in 2004, and that the percentage of annuity contracts which include this feature increased markedly from 2003.

In keeping with the Supreme Court's recent opinion in KSR International Co. v. Teleflex, Inc. (82 USPQ2d 1385), secondary considerations of non-obviousness should be considered in evaluating patent claims, and comparing such claims to the prior art. This point was reinforced in a memorandum dated May 3, 2007, from the Deputy Commissioner for Patent Operations to Technology Center Directors. Secondary considerations include "commercial success, long-felt but unsolved needs, failure of others, etc." Applicants and the Assignee submit that industry recognition and indicators of commercial success of the type exemplified in the attached articles constitute secondary considerations of non-obviousness. Accordingly, these articles are submitted with this response not as prior art, but as evidence of the existence of secondary considerations of non-obviousness over such prior art products as that described in the Golden patent and the Minnesota Mutual Prospectus.

In the Examiner's Request, the fee and certification requirements of 37 C.F.R. 1.97 were waived for documents submitted in reply to the requirement. Applicants respectfully submit that this waiver extends to the attached Prospectus, but is moot with regard to the articles since they are not submitted as prior art.

To the extent necessary, a petition for an extension of time under 37 C.F.R. §1.136 is hereby made. To the extent additional fees are required, please charge the fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 02-1010 (37168/82320) and please credit any excess fees to such deposit account.

Respectfully submitted,

/BBG/

Bobby B. Gillenwater

Reg. No. 31,105

Direct Line (260) 425-4649